



ENERGY ASSURANCE DAILY

Wednesday, December 13, 2006

Electricity

Hawaiian Electric's Proposed Plant to Exclusively Use Ethanol and Other Renewable Fuels

Public hearings have begun on Hawaiian Electric Company's proposed new 110 megawatt power plant on West Oahu, which will run exclusively on ethanol and other renewable fuels. .

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7533719

California Officials Cautiously Optimistic About Avoiding Blackouts in Summer 2007

At a December 11 Joint Energy Action Plan meeting in San Francisco, California, which included the California Public Utilities Commission, the California Energy Commission, other state representatives, and the California Independent System Operator, California state energy officials expressed cautious optimism that California will avoid power outages during the summer of 2007. Officials say that the addition of 900 megawatts of energy from new plants (peakers) and renewable sources will help absorb any spike in demand.

http://www.insidebayarea.com/business/ci_4824269

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7531828

Update: PG&E's 1,087 MW Diablo Canyon Nuke Unit 2 Shut in California December 11

According to a report filed with the Nuclear Regulatory Commission (NRC), as unit 2 was exiting an outage that began on December 10, an explosion caused by an electrical fault occurred in the intake structure. The small fire that resulted was extinguished by the time local firefighters arrived. The unit has been shut while the incident is under investigation; the company had no estimate as to the timing of a restart.

Reuters, 12:22 December 13, 2006

OPG's 535 MW Lennox Oil- and Natural Gas-fired Unit 2 Shut in Canada December 13

On December 13, Ontario Power Generation (OPG) announced that it had shut the 535 MW oil- and natural gas-fired unit 2 at its Lennox generation facility in Ontario, Canada for short-term maintenance.

Reuters, 08:59 December 13, 2006

OPG's 490 MW Nanticoke Coal-fired Unit 8 Shut in Canada December 12

On December 12, Ontario Power Generation (OPG) announced that it had shut the 490 MW coal-fired unit 8 at its Nanticoke generation facility in Ontario, Canada for short-term maintenance.

Reuters, 08:48 December 13, 2006

FirstEnergy's 1,235 MW Perry Nuke Shut in Ohio December 13 – Traders

According to traders in the area, FirstEnergy shut its 1,235 MW Perry nuclear generating station in Ohio for a short-term outage on December 13.

Reuters, 11:32 December 13, 2006

Constellation's 873 MW Calvert Cliffs Nuke Unit 1 in Maryland Shut December 12

The unit was shut to perform turbine control maintenance.

Reuters, 09:13 December 13, 2006

Reuters, 14:01 December 13, 2006

Reliant's 215 MW Mandalay Gas-fired Unit 2 in California Shut December 12

Reuters, 09:13 December 13, 2006

SCE's 1,100 MW San Onofre Nuke Unit 3 in California Shut December 12

Reuters, 19:36 December 12, 2006

TransCanada Files Application With NEB to Construct Canadian Portion of Keystone Pipeline

TransCanada Corporation has filed an application with the Canada's National Energy Board (NEB) for approval to construct and operate the Canadian portion of the Keystone Pipeline. The proposed 1,842-mile Keystone Pipeline will transport approximately 435,000 b/d of crude oil from Hardisty, Alberta, to U.S. Midwest markets.

TransCanada anticipates that the line will be in operation late in 2009. The line has the potential to be expanded to carry 591,000 b/d.

<http://biz.yahoo.com/iw/061213/0194510.html>

OPEC to Decide Between New 300,000 b/d Cut or to Stay with Fully Implemented November Cut

On December 14, OPEC will consider two measures from the advisory Ministerial Monitoring Committee. One measure includes making an additional cut in production of 300,000 b/d; the other measure involves holding to the current cut of 1.2 million bbls set in November but to make certain that members adhere to the full cut.

Reuters, 14:24 December 13, 2006

Plantation and Central Florida Pipelines Will Allow 12 PPM Sulfur ULSD Beginning in January 2007

Kinder Morgan announced on December 12, that it will raise the ULSD sulfur content specification on its Plantation Pipe Line and its Central Florida Pipeline from 10 ppm to 12 ppm beginning in January 2007. The company stated that the relaxing of the specification resulted from changes in infrastructure and operational procedures. The relaxed specification is expected to improve shipping conditions for customers.

Reuters, 14:19 December 13, 2006

Update: BP Restores Oil Production in Azerbaijan Following Power Outages

Power outages in the area had forced BP to reduce output by approximately 40 percent beginning in early December, resulting in shipping between 2.5 and 3 million fewer bbls of oil to market.

Reuters, 10:35 December 13, 2006

Sunoco to Restart and Upgrade Idled Hydrocracker at 330,000 b/d Philadelphia Refinery

On December 13, Sunoco Inc. announced that it plans to restart an idled hydrocracker at its 330,000 b/d Philadelphia refinery. The company plans to upgrade the unit to make between 40,000 and 50,000 b/d of ultra-low sulfur diesel fuel (ULSD). Sunoco anticipates that the upgrade will be completed by early 2009.

Reuters, 09:32 December 13, 2006

Syncrude Coking Unit to be Shut for Unscheduled Maintenance in Canada

On December 12, the Canadian Oil Sands Trust, announced that a coker will be taken out of service for unscheduled maintenance about six months ahead of schedule. The trust anticipates that the unit will be out of service for approximately six weeks, with a resultant loss of between 2 to 3 million bbls of syncrude.

Reuters, 17:08 December 12, 2006

Natural Gas

FERC Approves Calypso Pipeline's Proposed Modifications to Pipeline Project, Including Florida Coast LNG Port

Calypso U.S. Pipeline LLC, a subsidiary of SUEZ Energy North America Inc., received approval from the Federal Energy Regulatory Commission (FERC) for proposed pipeline modifications, which are designed to accommodate the construction of a proposed deepwater liquefied natural gas (LNG) port off the southeastern coast of Florida.

<http://intelligencypress.com/>

Other News

Nothing to report.

Energy Prices

| U.S. Oil and Gas Prices December 13, 2006 | | | |
|--|-------|----------|----------|
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 61.34 | 62.43 | 61.36 |
| NATURAL GAS Henry Hub \$/Million Btu | 7.21 | 7.32 | 15.39 |

Source: Reuters

Energy Notes

Mississippi Power to Build Lignite-to-Gas Power Plant In Mississippi

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7532256

ExxonMobil Sees Worldwide Biofuel Production Growing by 7 Percent per Year to 2030;

Oil Daily, December 13, 2006

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

Please direct comments and questions to: ead@oe.netl.doe.gov